Transforming 8 North Eastern States of India as Hub for Commercial Organic Farming in Value Chain Mode

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Public Sector Driven Promotion of Organic Agriculture in India
Return of Organic Agriculture in India (Milestones in History)

- 40 century organic farmers
- Onslaught of green revolution pushed it to wall
- Returned with demand in western world
- Conversion of Makaibari tea estate near Sikkim in 1986
- Organic cotton accelerated the movement in central India (1995)
- Spices and condiments in South India (1999-2001)
- Civil society organizations created awareness on its long term benefits, food safety and environmental sustainability (1998-2006)
- Till 2004 it was mainly export and export-industry driven

Year 2004 – Area 42,000 ha for Cotton, tea, spices, basmati rice
**Public Sector Interventions**

*Accelerating the movement since 2004*

**Quality Assurance**
- National Programme for Organic Production (NPOP) – Third party certification system (2001)
- Civil society driven PGS (2006), Govt run PGS (2014)

**Extension**
- Financial assistance schemes for conversion (for inputs, conversion expenses, ICS management and Technology transfer) – 2005

**Research**
- Centre of Excellence on Organic Farming in 10 State Agricultural Universities (2006-2010)

**Policies**
- 13 states defined policies for promotion of organic farming
- Sikkim started its journey towards 100% organic
- North Eastern states identified as focus areas
Institution Development

Quality Assurance
- APEDA – NPOP
  Third Party Certification
- NCOF – PGS-India
- FSSAI – Domestic food regulatory Body

Extension and Support Schemes
- National Centre for Organic Farming
- Capacity building & Deployment of Service Providers
- Organic Adoption and Certification scheme
- Traditional Organic Farming Development Scheme
- Mission Organic Value Chain

Marketing
- Commodity Boards
- On-Line E-Market portals
- Support for Value Chain

Research
- NPOFR (20 centre)
- NPOHR (12 centre)
- Centres of Excellence (10 SAUs)
- National Organic Farming Research Institute at Sikkim
## Contribution of Assistance schemes

<table>
<thead>
<tr>
<th>S. No.</th>
<th>Name of scheme</th>
<th>Financial allocation in INR crore</th>
<th>Allocation in US$ million</th>
<th>Area converted In ha</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>National Horticulture Mission</td>
<td>940</td>
<td>152</td>
<td>300,000</td>
</tr>
<tr>
<td>2.</td>
<td>National Agriculture Development scheme</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>A.</td>
<td>For area expansion</td>
<td>1392</td>
<td>224</td>
<td>370,000</td>
</tr>
<tr>
<td>B.</td>
<td>For input infrastructure</td>
<td>715</td>
<td>115</td>
<td>-</td>
</tr>
<tr>
<td>3.</td>
<td>State Plan Schemes</td>
<td>950</td>
<td>150</td>
<td>150,000 (50% Sikkim)</td>
</tr>
<tr>
<td>4.</td>
<td>Traditional Agriculture Development Scheme (PKVY)</td>
<td>785</td>
<td>120</td>
<td>238,000</td>
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<tr>
<td></td>
<td>Mission Organic Value Chain Development for NE Region</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Phase 1</td>
<td></td>
<td>341</td>
<td>53</td>
<td>45,918</td>
</tr>
<tr>
<td>Phase 2</td>
<td></td>
<td>350</td>
<td>54</td>
<td>50,000</td>
</tr>
<tr>
<td>Total</td>
<td></td>
<td>5473</td>
<td>868</td>
<td>1,153,918</td>
</tr>
</tbody>
</table>
Growth Story

Status as on April 2018 under NPOP

- Total Area: 3.56 million ha
- Area under Cultivation: 1.78 million ha
- Area Wild Harvest: 1.78 million ha
- Total Organic Production: 1.67 million ton
- Total Farmers: 1.09 million

Market scenario (US$ million)

- Total market size: 900
- Export share: 515 (57.55%)
- Domestic retail: 225
- Farmers markets: 150

Share in Global Scenario (in %)

- In Cultivated Area: 3.07
- In Trade: 1.0
Lessons learnt

- Farmers willing to adopt, feel pride
- But not willing to compromise productivity
- Economics is the driver (sustainability concerns not prime)
- Production technologies and inputs major constraint
- Thin distribution of clusters over large area – no market access, higher logistics cost
- Absence or low price premium for farmers
- Certification system costly, especially the management of ICS
- Value addition facilities not available
- Farmers are not owners of their enterprise
- Many farmers (approx. 400,000 ha area) returned to conventional – could not found suitable due to economical reasons

Crucial Interventions needed
a. Access to market and premium prices
b. Value addition infrastructure
c. Farmers institutions to deal with market
North Eastern Region as hub for commercial organic farming

Strength
• Six states largely organic by tradition
• Two states have fertilizer consumption below 50kg/ha/year
• Ideal for conversion to organic
• All states defined policies for conversion to organic
• 4 states intended to convert to organic fully
• Sikkim realized the goal of 100% organic
• Home to niche products such as specialty spices, fruits and rice
• High acceptability in national market
• Literacy rate is good, fear of loss in productivity minimum

Limitations
• But geographical isolation increase logistic cost
• Commercial production not a practice
• Agriculture still a way of life and not production enterprise

Federal Government decided to make these 8 states hub for commercial organic production mainly for specialty rice, spices and fruits
Mission Organic Value Chain Development for North Eastern Region (MOVCDNER), India
Mission Goals

• Institutional system for promotion and development
• Create replicable models of end-to-end value chain
• Empower farmers with institutions in the form of Farmer Producer Companies (FPCs)
• Transform subsistence farming to commercial enterprise
• Improve production systems for quantity and quality
• Create farmer owned, farmer operated value chain from production to marketing with their own state specific brand
• Funds earmarked – 120 million US$ in 2 Phase (INR 8 billion)

Target
a. 150 Farmer producer companies
b. 80,000-100,000 farmer members
c. 100,000 ha area certified
d. 150 enterprises with end-to-end value chain
e. 16-20 small processing units with all support structure
Mission Components

Institutional structures
a. Mission headquarter at Delhi
b. Organic Missions at each state
c. Service facilitation agencies

Value Chain components
i. Value chain farmer institutions (FPCs)
ii. Value chain production
iii. Value chain processing
iv. Value chain marketing

Financial Assistance Pattern from Mission
a. FPC creation 100%
b. Capacity building, ICS & Certification 100%
c. Production activities (seed & inputs) 50%
d. Collection centre, warehouses, Cold room 75%
e. Transport vehicle 50%
f. Integrated processing unit 75% to FPC
50% to Private
Typical Value Chain Model

State Organic Mission

Service facilitation Agencies

FPC/Cluster 500 ha

Certification body

FPC/Cluster 500 ha

Service facilitation Agencies

FPC/Cluster 500 ha

FPC/Cluster 500 ha

FPC/Cluster 500 ha
Value Chain Production

• Commodity centric concentrated clusters and transformation of clusters into Farmer Producer Companies.
• Replacement of seed and planting material for quality improvement
• Creation of on-farm input production infrastructure and support for inputs
• Service Providers for capacity building, training and certification facilitation
Value Chain Processing for setting up of

- Collection and aggregation centers
- Small transportation vehicles for collection and aggregation
- Warehouse, pack houses and packaging centers
- Cold chain components such as cold store, pre-cooling, ripening chambers, refrigerated vans and walk-in cold chambers, wherever needed
- Integrated processing unit
Value Chain Marketing

• Branding, labeling, packaging, publicity and certification of processing and handling facilities
• Participation in seminars, conferences/ workshop, national and international trade fairs, auction meetings and organic food festivals
• Consumer awareness and information dissemination
• Temporary hiring of space in premium markets for promotion of brand NE Organic Food.
Mission Organic Value Chain Development in Manipur
Model Implementation Structure

STATE LEVEL EXECUTIVE COMMITTEE (SLEC)

Chief Secretary
Government of Manipur
Chairman

Secretary/Commissioner (Hort. & S.C.)
Government of Manipur
Member Secretary

Secretary/Commissioner (Agriculture)
Govt. of Manipur
Member

Director, Deptt. Agriculture, Manipur
Member

Director, Deptt. Horticulture & S.C., Manipur
Member

Joint Director, ICAR, Manipur
Member

MANIPUR ORGANIC MISSION AGENCY (MOMA)

Project Management Staff
(Deptt. of Hort. & SC and Deptt. of Agri.)

Service Providers

Service Providers

FPC Tamenglong

Ginger 100 ha

Turmeric 100 ha

King Chilly 100 ha

Kachai Lemon 200 ha

FPC Churachandpur

Ginger 100 ha

Turmeric 100 ha

King Chilly 100 ha

Pineapple 200 ha

FPC Kangpokpi + Thoubal

Ginger 25 ha

Turmeric 50 ha

Tml. Orange 25 ha

Pineapple 400 ha

FPC Ukhrul

Ginger 125 ha

Turmeric 50 ha

Tml. Orange 375 ha

FPC Senapati

Ginger 250 ha

Turmeric 50 ha

FPC Chandel

Ginger 250 ha

Turmeric 250 ha

FPC Bishenpur

Black scented rice 500 ha

FPC Imphal West

Black scented rice 500 ha

FPC Imphal East

Black scented rice 500 ha

FPC Thoubal

Black scented rice 500 ha

FPC Bishenpur

OneCert Asia Pvt Ltd.
Airlifting of Pineapple and e-Auction of Black Aromatic Rice under MOVCDNER in Manipur
Opening of Angel Organic Outlet in Mizoram

Mobile Organic Vegetable markets at Aizwal, Mizoram
Glimpses from Nagaland

Collection & Aggregation centre  Loading from Aggregation  Wahsing of Ginger

Organic Outlets in Nagaland
Producers as entrepreneurs

- Farmers are being converged under FPCs
- Management trained at entrepreneurship development institutes
- Exposed to functioning of FPCs in other states
- Exposed to trade fairs
- Buyer-seller meets are arranged
- FPC offices started running and entire staff is from members and their families
- All processing facilities are being set up under FPC ownership
- FPC started marketing within their states and opened many outlets
- Transfer of responsibilities for ICS management is being done
- FPCs are confident of running their enterprise after closure of Govt run programme
- Plans are there to expose heads of FPCs to international trade fairs and other programme
Aiming High
(Achievements so far)

- 100 FPCs formed
- 50,000 ha area under In-conversion II stage
- Commercial crops are: Ginger, Turmeric, King Chilli, Red and Black Rice, Pineapple, Oranges, Lemon, Kiwi, Cashew nut
- Production levels and quality improved
- Collection and aggregation facilities setup at all FPCs
- Transportation vehicles have been given
- Local marketing started
- Branding, packaging and value addition activities identified
- DPRs for pack houses, cold stores, ware houses under way
- Assessments are being done for setting up of processing facilities
Biofach India 2018

- 25-27th October 2018 at Pragati Maidan, New Delhi
- APEDA and NurembergMesse are jointly organizing
- Include exhibition, trade fair and international conference
- Series of Buyer-seller Meets
- 50 buyers invited from major importing countries
- Opportunity to meet entire organic food industry with major importing country buyers
- Launching of e-Organic Market for certified organic producers

All are Invited
Biofach India 2018

• Buyers will be treated as APEDA guests
• Four days local hospitality free to buyers
• Sponsorships are available for digital media reporters
• Witness innovations by organic farmers and farmers organic markets
• Glimpse of the seed savers community
• Technical sessions on market potential, regulations, biodynamics, farmers innovations and Import/ Export opportunities

All are Invited
Thank You

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